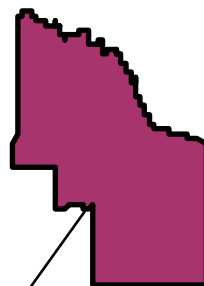
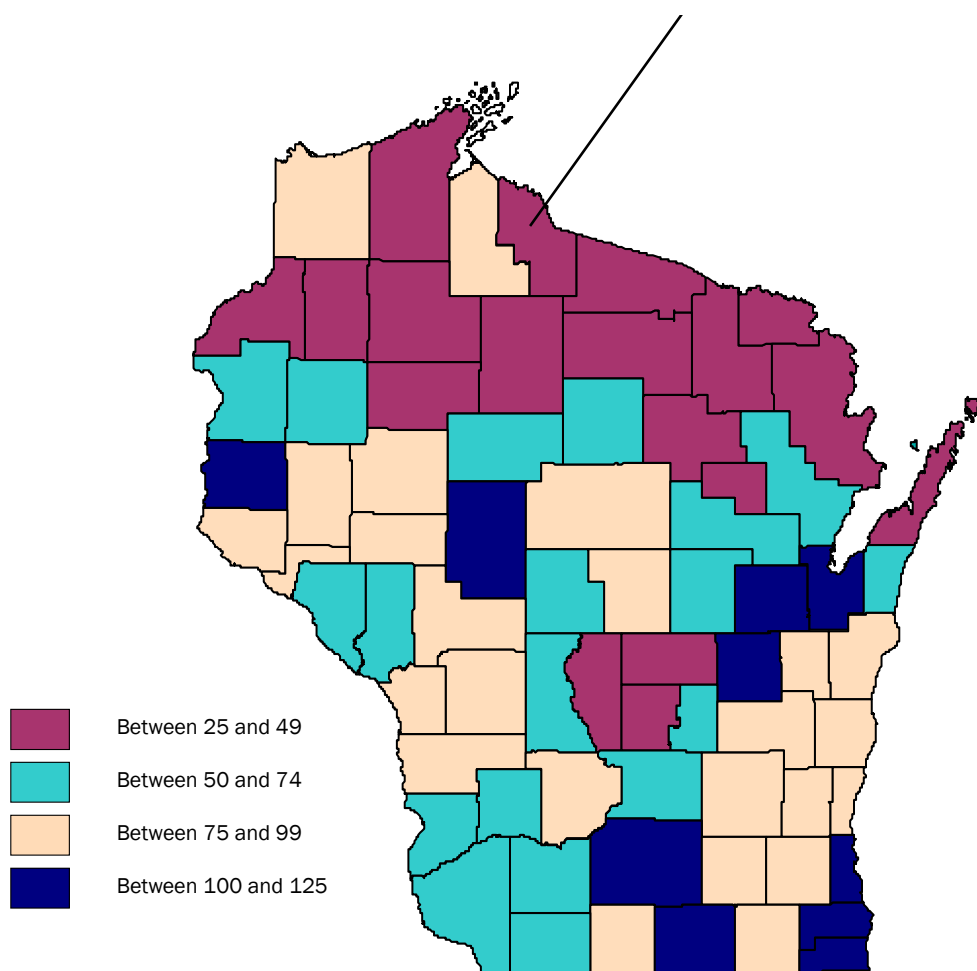


Iron County Workforce Profile



The number of residents aged 25-29 years for every
100 residents aged 60-64 years in year 2025



Source: Wisconsin Department of Administration, Demographic Services Center and the U.S. Bureau of Census.

For comparison, it is projected that there will be 90 residents aged 25-29 for every 100 residents aged 60-64 in Wisconsin in 2025. Nationally, it is projected that there will be 101 residents aged 25-29 for every 100 residents aged 60-64. In 2003, Wisconsin had 146 residents aged 25-29 for every 100 aged 60-64.



County Population

The population in Iron County increased by 87 residents from 6,861 in 2000 to 6,948 in 2004. The change of just 1.3 percent ranked 61st among the state's 72 counties, and was slower than changes in both the nation and Wisconsin. With a total population that is third smallest in the state living in a county that covers 757 square miles, the population density of only 9 residents per square mile is the lowest in the state.

Total Population

	April 2000 Census	Jan. 1, 2004 estimate	Numeric change	Percent change
United States	281,421,906	292,287,454	10,865,548	3.9%
Wisconsin	5,363,715	5,532,955	169,240	3.2%
Iron County	6,861	6,948	87	1.3%
Largest Municipalities				
Mercer, Town	1,732	1,809	77	4.4%
Hurley, City	1,818	1,805	-13	-0.7%
Montreal, City	838	834	-4	-0.5%
Kimball, Town	540	536	-4	-0.7%
Oma, Town	355	383	28	7.9%
Saxon, Town	350	349	-1	-0.3%
Sherman, Town	336	345	9	2.7%
Knight, Town	284	284	0	0.0%
Pence, Town	198	193	-5	-2.5%
Carey, Town	191	191	0	0.0%

Source: Wis. Dept. of Administration, Demographic Services and U. S. Census Bureau

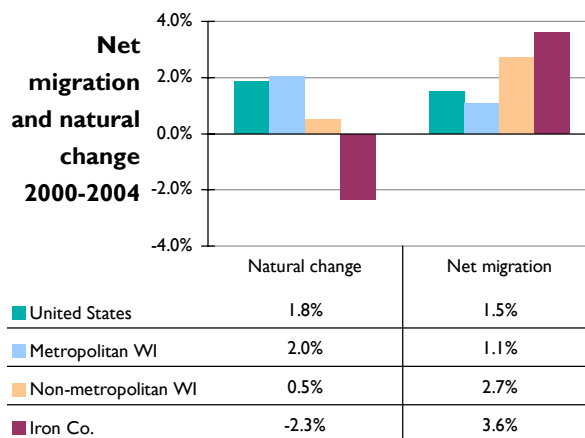
Only three of the twelve municipalities in the county added residents during the last four years; and two, the towns of Mercer and Oma, accounted for most of the growth in county population. The additional residents in these municipalities, as well as the county, are from people moving to the area. In fact, the increase in county population is attributed entirely to net migration, more people moving to the county than leaving the county.

The migration rate in Iron County of 3.6 percent was higher than the Wisconsin rate of 1.6 percent and exceeded the rate of other non-metropolitan counties in Wisconsin. Most of the residents who move to the county are older and few residents are having babies. From 2000 to 2004 there were only 162 births in the county and nearly twice as many deaths. With more deaths than births the change from natural causes of -2.3 percent ranks Iron County last among the state's counties. The fertility rate (see glossary) of 35.7

is the lowest in the state and well below the state rate of 58.7.

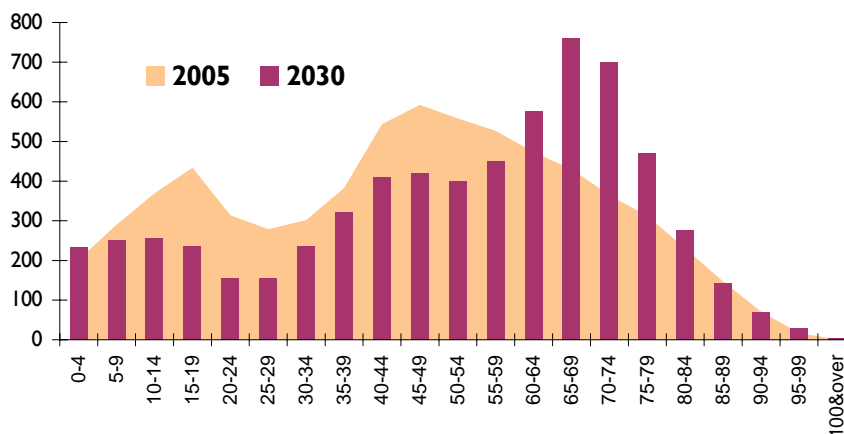
Fewer births and an increase in migration both point to a population that is getting older. In fact, Iron County is one of only two in the state with a projected decline in population by 2030. And no wonder. The average age in the county in 2000 was 44 years that will increase to an average age of 51 years in 2030.

Roughly 30 percent of the population is currently over 60 years old but by 2030 that share expands to over 46 percent. In contrast, 24 percent of the current population is under 25 years old and that shrinks to 14 percent by 2030. This trend is dramatized in the bottom graph where the 'hill' created by baby-boomers rises above all other age groups and continues to dwarf other ages in the next 25 years.



Source: WI Dept. of Admin., Demographic Services and U. S. Census Bureau

Population by Age Groups in Iron County



Source: WI Dept. of Administration, Demographic Services

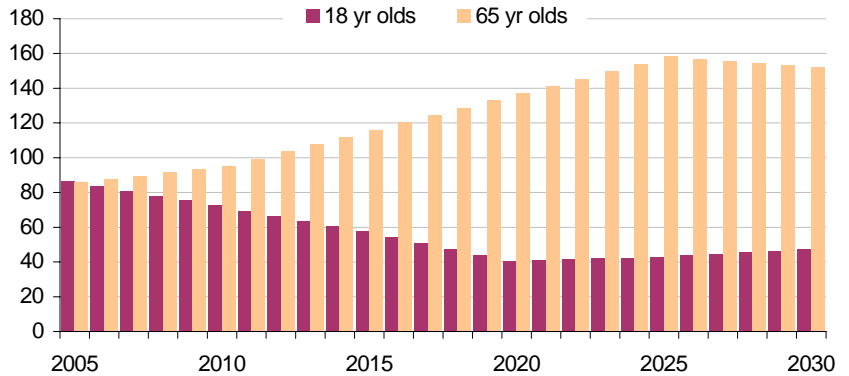
Future Population and Labor Supply

The impact of an aging population is perhaps more obvious in terms of services that they will require. But it also impacts the availability of labor, especially when lower fertility rates mean fewer young people. Assuming that 65 years old represents an average age of retirement and that 18 years old represents high school graduation then a plot of the number of these residents points to a time when the first group exceeds the second group in number. That convergence occurs in just one year, 2005, in Iron County.

As residents age their participation in the labor force declines. Labor force participation rates (LFPR, see glossary) among the population 25 to 50 years of age generally exceed 85 percent in Iron County. But, after 55 years the LFPR begins to drop, especially in Iron County where the migration of retiring workers compounds the drop in the LFPR for those over 60 years to under 35 percent (in most counties it remains closer to 50 percent).

Not only is the population projected to decline in the next few decades but as it ages the number of older residents will further reduce the size of the labor force. Because a greater share of the population will be over 50 years old, an age when labor force participation drops off, the size of the labor force is projected to decline in the next decade. The three columns in the chart on the right illustrate labor force composition and size. Most notable is the increasingly larger sections representing workers over 65 years in the top sections and the smaller sections representing the younger age groups on the bottom.

Convergence of 18 & 65 year old population in Iron County

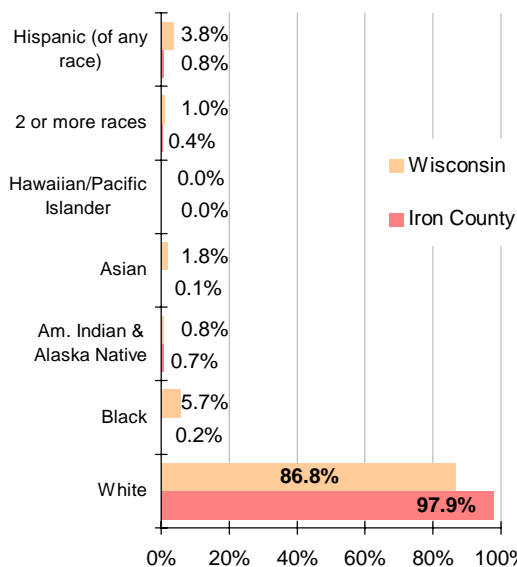


Source: WI Dept. of Administration, Demographic Services

This projection uses national assumptions that included a slight increase in the participation rates of older residents but did not factor in the declining participation rates of white residents; and, the population in Iron County is 98 percent white.

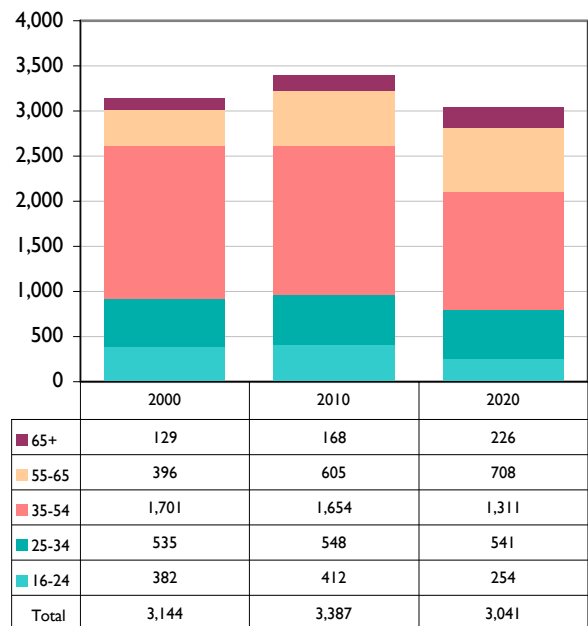
Two broad scenarios arise from the disparity in age and ethnicity: 1) there will be labor shortages due to retirements and the lack of replacement workers especially in occupations that rely on younger workers or require specialized skills; and 2) the aging population will impact the economy as an elderly population demands changes in the types of goods and services provided in local communities.

Race and ethnic distribution



Source: U.S. Census Population Characteristics Estimates, 2002

Iron County Labor Force Projections by Age



Decade change	18.6%	7.7%	-10.2%
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Source: DWD, Office of Economic Advisors, August 2004

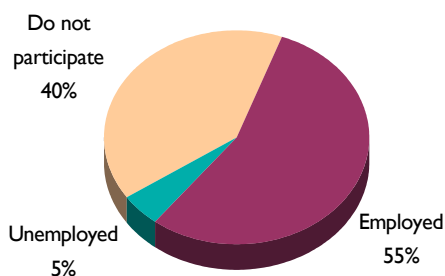
Current Labor Force

Labor force participation represents the share of population that is 16 years old and older that is either employed or unemployed. Participation rates in Wisconsin and the United States in 2003 were 72.9 and 66.3 percent, respectively.

In Iron County the participation rate was 60 percent. That means that 40 percent of the population 16 years old and older did not participate. That includes some students and individuals who choose not to work including retirees. As the

fewer new entrants to the labor force during the last recession is one of the reasons unemployment rates remained as low as they did. The unemployment rate in Iron County in 2003 was 8.5 percent compared to a 16.8 percent unemployment rate following the 1981-82 recession when the baby-boomers were entering the labor force in droves.

Labor force participation in Iron County

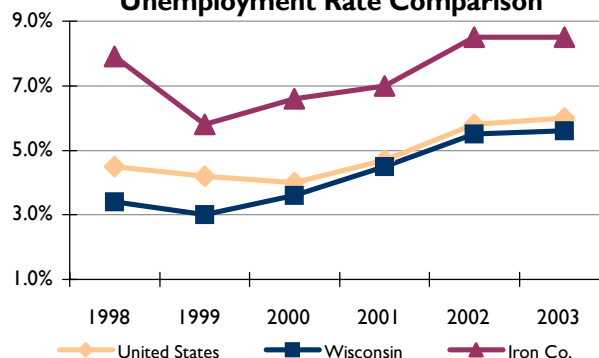


Source: DWD, Office of Economic Advisors, July 2004

population ages, more retirees will be included in the non-participating category by choosing not to work and the overall labor force participation rate will decline.

There will also be fewer new entrants to the labor force who are seeking first-time jobs and, consequently, fewer included among the unemployed. That, in turn, will produce lower unemployment rates. The fact that there were

Unemployment Rate Comparison



Iron County Civilian Labor Force Data

	1998	1999	2000	2001	2002	2003
Labor Force	3,216	3,202	3,304	3,395	3,348	3,406
Employed	2,963	3,015	3,085	3,157	3,063	3,117
Unemployed	253	187	219	238	285	289
Unemployment Rate	7.9%	5.8%	6.6%	7.0%	8.5%	8.5%

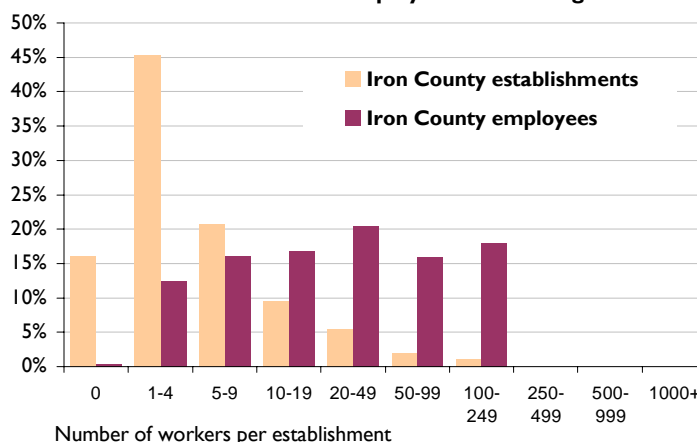
Source: WI DWD, Bur. of Workforce Information, Local Area Unemployment Statistics, 2003

Employers by Size

Nationwide, about 80 percent of the employers have fewer than 20 employees. In the State of Wisconsin the share of employers with fewer than 20 workers jumps to 85 percent and in Iron County it increases to 92 percent. In contrast in the share of jobs provided by employers in this size range is much smaller. In the nation 27 percent of the jobs are with employers with fewer than 20 workers, in Wisconsin that drops to 22 percent, but in Iron County 46 percent of jobs, 975 out of 2,150, are with employers in this size range.

Over one-third of the jobs in Iron County, 36 percent, are with employers with 20-99 jobs, however, only seven percent of the employers are in this size range. The average employer in Iron County has 8 employees, compared with 17 employees in Wisconsin and 13 in the United States.

Share of establishments & employees in size range in 2003



Source: DWD, Bureau of Workforce Information, Table 221, July 2004

Industry & employers by size

Only four employers in Iron County have more than 100 workers and the largest industry has fewer than 300 workers. Employers in food services and drinking places have an average of eight workers but because there are many of them they provide many jobs. One, however, has more than 20 employees and is included among the largest employers.

Only one of the ten largest industries, accommodation, is

not represented on the largest employer list. The largest employer represents the second largest industry and both school districts in the county comprise the third largest industry (and since there are fewer than 3 employers employment data is suppressed to maintain confidentiality). County government, as well as city and town government, are included in the fourth largest industry.

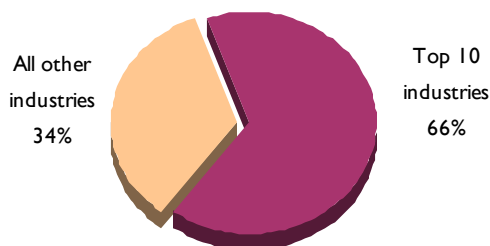
Top 10 Industries in Iron County

Industry	March 2004		Numeric Employment Change	
	Establishments	Employees	2003-2004	1999-2004
Food services & drinking places	34	260	9	24
Wood product manufacturing	5	234	-1	41
Educational services	suppressed	suppressed	not avail.	not avail.
Executive, legislative, & gen government	14	155	2	10
Nursing & residential care facilities	suppressed	suppressed	not avail.	not avail.
Food & beverage stores	5	118	-14	-16
Apparel manufacturing	suppressed	suppressed	not avail.	not avail.
Accommodation	6	90	-28	-66
Construction of buildings	13	77	-34	-23
Building material & garden supply stores	suppressed	suppressed	not avail.	not avail.

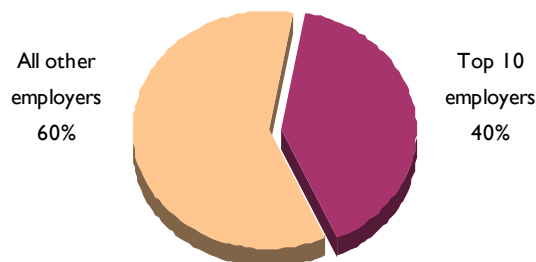
Top 10 Employers in Iron County

Establishment	Product or Service	Size (Dec. 2003)
Action Floor Systems LLC	Other millwork, including flooring	100-249 employees
Hurley School District	Elementary and secondary schools	100-249 employees
Villa Maria Health & Rehabilitation	Nursing care facilities	100-249 employees
Art Unlimited Sportswear LLC	Family clothing stores	100-249 employees
Copps Food Center	Supermarkets and other grocery stores	50-99 employees
County of Iron	Executive, legislative, & gen. government offices	50-99 employees
Giovanoni True Value Hardware Inc.	Hardware stores	50-99 employees
Wayne Nasi Construction Inc.	Commercial building construction	20-49 employees
School District of Mercer	Elementary and secondary schools	20-49 employees
Liberty Bell Chalet Inc.	Limited-service restaurants	20-49 employees

Share of jobs in top 10 industries in Iron County



Share of Iron County jobs with top 10 employers



Source: DWD, Bureau of Workforce Information, Quarterly Census of Employment and Wages

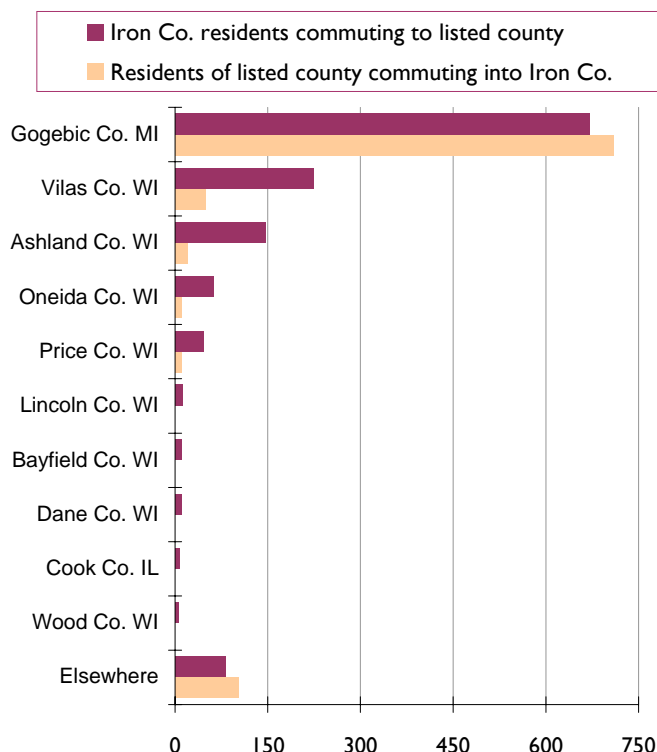
Commuting

The worker flow patterns for Iron County are dominated by the traffic to Gogebic County, Michigan. Over 1,275 workers from Iron County travel to jobs outside the area and roughly 670 (53%) travel to jobs in Gogebic County. Nearly all of them, 455 are headed to employers just over the state line in the City of Ironwood.

Most of the workers commuting out of the county limit their travel to neighboring counties to less than hour. The second most popular destination for commuters is Vilas County, followed by Ashland County. Workers that live in southeast Iron County are more likely to travel to the cities of Lac du Flambeau and Manitowish (in Vilas) and those from the northern parts travel to the City of Ashland (in Ashland) for a job.

Residents who travel outside of Iron County for a job are still included as employed in the local labor force. That is one of the reasons the total number of employed is greater than the number of jobs with county employers.

Employers in Iron County also attract roughly 903 workers from other counties. Most of these workers are from Gogebic County and are headed for jobs in the City of Hurley, as are most commuters who travel into Iron County for jobs. Employers need these commuters to help fill some of the 2,300 jobs in the Iron County.



Source: U.S. Census 2000, Special tabulations: Worker Flow Files

Key occupations & wages

The jobs in Iron County share some characteristics with neighboring counties and those similarities were used to define a labor supply area. This list includes wages for some of the occupations with the most employment in that area. It is significant because these 20 occupations provide approximately 19,000 jobs, or 43 percent of total employment, in the combined county area.

Each occupation includes a mean (average) and median (50th percentile) hourly wage, probably the most frequently requested wage information. If the mean and median are relatively close the labor market for that occupation is probably tight.

Eleven of the 20 occupations typically require only short-term training and, for the most part, have a mean hourly wage under \$10/hour. There are also jobs on this list that typically require only moderate to long-term training periods and have mean wages that exceed \$10/hour. Only the two highest paying jobs typically require college degrees.

Occupation title	Hourly Wages			
	Mean	Percentile		
		25 th	50 th	75 th
Cashiers	\$7.93	\$6.24	\$7.07	\$8.67
Truck drivers, heavy & tractor-trailer	\$17.31	\$12.88	\$17.20	\$20.94
Retail salespersons	\$8.83	\$6.64	\$7.84	\$9.78
Carpenters	\$13.91	\$7.07	\$14.28	\$17.43
Janitors & cleaners, except maids & hskpg. cleaners	\$9.54	\$7.51	\$8.75	\$11.40
Waiters & waitresses	\$8.26	\$6.15	\$7.07	\$8.93
Bartenders	\$7.80	\$7.08	\$7.73	\$8.37
Secretaries, except legal, medical, & executive	\$9.94	\$7.72	\$9.34	\$12.22
Comb. food prep. & serving workers (fast food)	\$7.19	\$6.12	\$6.94	\$8.06
Nursing aides, orderlies, & attendants	\$10.19	\$8.91	\$10.19	\$11.35
Bookkeeping, accounting, & auditing clerks	\$11.60	\$8.94	\$11.58	\$13.75
Office clerks, general	\$9.93	\$7.98	\$9.55	\$11.62
Maids & hskpg. cleaners	\$7.75	\$6.55	\$7.64	\$8.78
Cooks, short order	\$6.77	\$5.88	\$6.41	\$6.94
Personal & home care aides	\$8.73	\$7.91	\$8.71	\$9.65
Automotive service technicians & mechanics	\$15.59	\$11.44	\$16.06	\$19.62
Maintenance & repair workers, general	\$12.57	\$9.16	\$11.96	\$15.28
Sales reps., whsls/mfg. except tech. & scientific prod.	\$19.12	\$12.63	\$15.65	\$22.16
Registered nurses	\$21.69	\$18.60	\$20.83	\$24.29
General & operations managers	\$34.27	\$20.21	\$28.43	\$42.93

Iron County is part of an area which includes Ashland, Bayfield, Douglas, Iron, Sawyer, Vilas and Washburn counties.

Source: DWD, Office of Economic Advisors, special tabulation using EDS and OES 2003

Employment and Wages

An overall loss of 208 jobs resulted in a change of -8.5 percent in payroll employment in Iron County from 2002 to 2003 compared with the reduction in the state of -0.2 percent. The largest loss in employment occurred with education and health services employers with the reduction of 149 jobs (although this reduction may be the result in a change in coding).

Employers in education & health services, which in this case also includes public education, still provide the second greatest share of the jobs, 18.7 percent, in Iron County and the most payroll. The distribution of total payroll and employment for the major industry groups in Iron County is detailed in the chart below.

The second highest payroll and largest share of jobs, 20.7 percent, is with employers in trade, transportation, and utilities. Annual average wages of \$18,833 in the industry are among the lowest in the county, however, and only 65 percent of wages paid for similar work in the state.

Several factors influence average wages in industries including average workweek (full or part-time) and seasonal and temporary employment that are prevalent in trade and transportation jobs. Other factors include occupation composition

Average Annual Wage by Industry Division in 2003

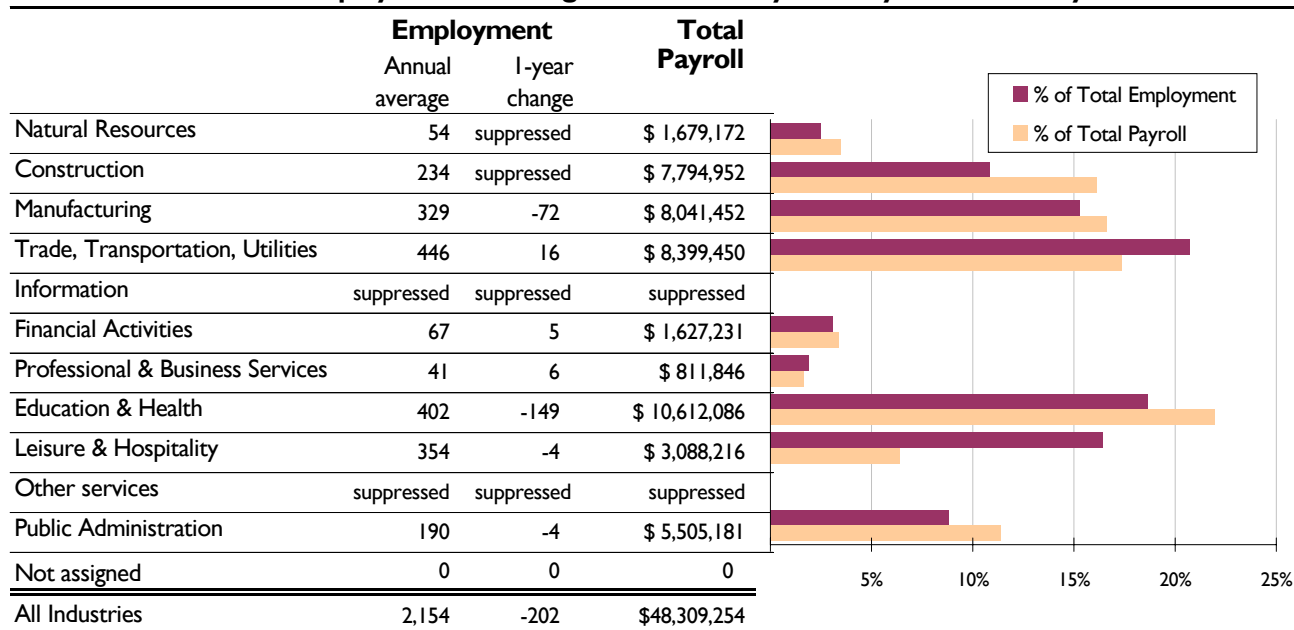
	Average Annual Wage		Percent of	1-year
	Wisconsin	Iron County	Wisconsin	% change
All Industries	\$ 33,423	\$ 22,428	67.1%	6.5%
Natural resources	\$ 25,723	\$ 31,096	120.9%	Not avail.
Construction	\$ 40,228	\$ 33,312	82.8%	Not avail.
Manufacturing	\$ 42,013	\$ 24,442	58.2%	13.0%
Trade, Transportation, Utilities	\$ 28,896	\$ 18,833	65.2%	-1.9%
Information	\$ 39,175	suppressed	Not avail	Not avail.
Financial activities	\$ 42,946	\$ 24,287	56.6%	18.5%
Professional & Business Services	\$ 38,076	\$ 19,801	52.0%	Not avail.
Education & Health	\$ 35,045	\$ 26,398	75.3%	21.2%
Leisure & Hospitality	\$ 12,002	\$ 8,724	72.7%	0.9%
Other services	\$ 19,710	suppressed	Not avail	Not avail.
Public Administration	\$ 35,689	\$ 28,975	81.2%	4.8%

Source: WI DWD, Bureau of Workforce Information, Quarterly Census of Employment & Wages

(professional and technical jobs generally have higher wages than clerical and service occupations) and job tenure (those with more seniority are paid more than new hires).

The overall average annual wage of \$22,428 increased 6.5 percent in 2003 but is still only 67 percent of the average annual wage in the state, which increased 3.1 percent. The highest wages in construction are paid to workers in roughly 11 percent of the jobs in the county, while the lowest wages in leisure & hospitality are paid to 16 percent of the county's workers.

2003 Employment and Wage Distribution by Industry in Iron County



Source: WI DWD, Bureau of Workforce Information, Quarterly Census Employment and Wages, June 2004

Per Capita Personal Income

Per capita personal income (see glossary) increased 4.7 percent in Iron County in 2002, faster than in the United States, Wisconsin and other non-metropolitan counties in the state. Even with the increase, the PCPI in the county is only 78 percent of PCPI in Wisconsin and 76 percent of the United States. It ranks 54th out of 72 counties in the Wisconsin.

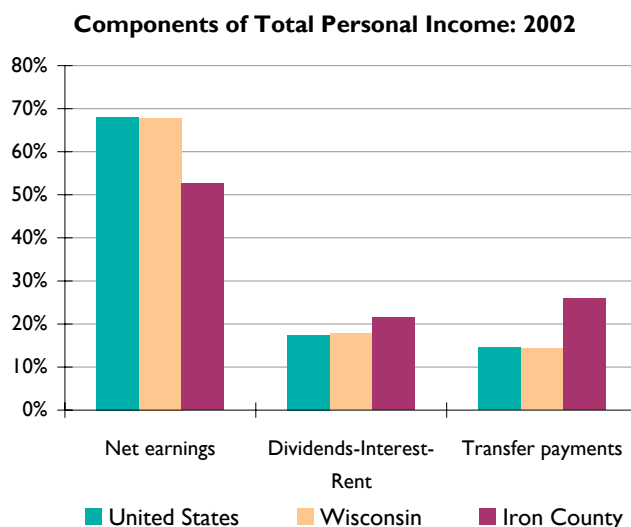
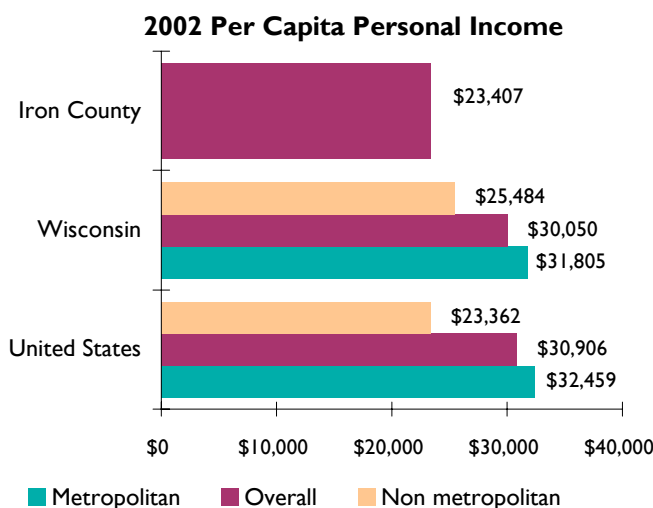
The greatest share of total personal income is net earnings from jobs, both in and out of the county, self-employment and proprietorships. Not only are annual average wages considerably lower than in Wisconsin but the share of total personal income from net earnings of 53 percent in Iron County

is well below the 68 percent of both the state and nation. In contrast transfer payments comprise a much larger share. Both factors contribute to the lower PCPI in the county.

While PCPI is often used as a comparative income measure it should be remembered that population is also a key component. PCPI is the result of dividing total income by total population. Residents over 18 years old earn most income but the younger population is still included in the formula. Likewise, a retired population has a much lower earning capacity.

	Per Capita Personal Income						Percent Change	
	1997	1998	1999	2000	2001	2002	1 year	5 year
United States	\$25,334	\$26,883	\$27,939	\$29,847	\$30,527	\$30,906	1.2%	22.0%
Wisconsin	\$24,514	\$26,175	\$27,135	\$28,573	\$29,361	\$30,050	2.3%	22.6%
Non-metropolitan WI	\$20,734	\$22,195	\$22,900	\$24,059	\$24,833	\$25,484	2.6%	22.9%
Iron County	\$18,090	\$18,918	\$19,597	\$20,772	\$22,353	\$23,407	4.7%	29.4%
In current dollars (adjusted to U.S. CPI-U)								
United States	\$28,397	\$29,670	\$30,170	\$31,181	\$31,010	\$30,906	-0.3%	8.8%
Wisconsin	\$27,478	\$28,889	\$29,301	\$29,850	\$29,825	\$30,050	0.8%	9.4%
Non-metropolitan WI	\$23,240	\$24,497	\$24,728	\$25,135	\$25,226	\$25,484	1.0%	9.7%
Iron County	\$20,276	\$20,880	\$21,162	\$21,700	\$22,706	\$23,407	3.1%	15.4%

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, May 2004



Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, May 2004

The county workforce profiles are produced annually by the Office of Economic Advisors in the Wisconsin Department of Workforce Development. The author of this profile and regional contact for additional labor market information is:

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Metropolitan Statistical Area (MSA) - A single county or group of counties that include at least one urbanized area with a minimum population of 50,000. Multiple-county MSAs have a central county or counties, which have a high degree of social and economic integration with the other member counties as measured by commuting data.

Non-metropolitan county - Any county that is not a member of a metropolitan statistical area.

Net Migration - One of two components of population change. It is the net result of individuals who either moved into or out of an area.

Natural Change - One of two components of population change. It is the result of the number of births minus the number of deaths in an area over a period of time. A natural increase indicates there were more births than deaths. A natural decrease indicates there were more deaths than births.

Fertility rate - Number of live births per 1,000 women aged 15-44 years.

Employed - Persons 16 years of age or older, who worked as paid employees, or worked in their own business, profession or farm, or worked 15 hours or more as unpaid workers in a family-operated enterprise. Includes those temporarily absent from their jobs due to illness, bad weather, vacation, childcare problems, labor dispute, maternity or paternity leave, or other family or personal obligations.

Unemployed - Persons 16 years of age or older with no employment, who were available for work and made efforts to find employment sometime during the previous 4-week period ending with the monthly reference week. Persons who were awaiting recall to a job did not need to look for work to be classified as unemployed.

Labor Force - The sum of the employed and unemployed, whom are at least 16 years of age and older.

Unemployment Rate - The number of unemployed divided by the labor force. It is expressed as a percentage of the labor force.

Labor Force Participation Rate (LFPR) - The labor force divided by the total population aged 16 years and older. It is expressed as a percentage of the population aged 16 years and older.

Suppressed - Data is withheld or suppressed if it does not meet certain criteria. If an industry in a county has fewer than three employers or if a single employer employs 80% or more that industry's total employment in that county then the data are suppressed. These criteria were established to maintain the confidential reporting of payroll and employment by employers.

Total Personal Income - The aggregate income of an area received by all persons from all sources. It is calculated as the sum of wage and salary disbursements (less contributions for government social insurance), supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts that include retirement and veteran's benefits, government paid medical reimbursements, and income maintenance program payments.

Per Capita Personal Income (PCPI) - Total personal income divided by the total population.

Current Dollars - Phrase used to express historical dollar values in terms of their current purchasing power via inflation adjustment.

CPI-U - Consumer Price Index for all urban consumers, the most commonly used measure of inflation in the United States.